



ARIZONA STATE RETIREMENT SYSTEM

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*Paul Matson
Director*

MINUTES PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD

Friday, January 20, 2012

9:30 a.m., AZ Time

The Arizona State Retirement System (ASRS) Board met in the 14th Floor Conference Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. David Byers, Chair of the ASRS Board, called the meeting to order at 9:43 a.m., Arizona time.

The meeting was NOT teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. David Byers, Chair
Mr. Christopher Harris
Professor Dennis Hoffman
Mr. Kevin McCarthy
Mr. Tom Manos, Vice-chair
Mr. Lawrence Trachtenberg
Mr. Michael Townsend

Absent: Mr. Tom Connelly
Mr. Steven Zeman

A quorum was present for the purpose of conducting business.

2. Presentation, Discussion and Appropriate Action Regarding the Board Governance Evaluations

- a) Trustees' 2011 Self-Evaluation
- b) Board 2011 Self-Evaluation
- c) Critical Issues of 2012

Mr. David Byers opened the meeting by discussing Appendix A from the ASRS Board Governance Policy Handbook. Appendix A, Part A is the Trustee Self-Evaluation form which is used by Trustees to provide perspective of their personal involvement as a Trustee. Appendix A, Part B is to provide input regarding the overall Board performance and also to discuss critical issues the Board will face in 2012.

Board Trustees considered the following statements taken from the Board Governance Handbook while reviewing their performance:

1. The Board maintains an effective oversight role with regard to benefits and investment issues.

2. The Board knows and understands the ASRS Strategic Plan, and reflects this understanding when addressing key issues throughout the year.
 3. The Board engages in long-range strategic thinking and planning.
 4. The Board has achieved the business objectives it set out to accomplish this past year.
 5. The Board stays abreast of issues and trends affecting the ASRS, using this information to assess and guide the ASRS over the long term.
 6. The Board conducts a comprehensive evaluation of the Director annually.
 7. The Board ensures that new Trustees receive a prompt, thorough orientation.
 8. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.
 9. The Board meeting agendas are well-balanced, allowing time for the most critical issues.
 10. The Board and Committee meetings are handled efficiently.
 11. The Committees are effective, focusing on pertinent topics and allocating reasonable time.
 12. The Board is well-educated on both benefit and investment issues.
 13. The Board recognizes its policy-making role and reconsiders and revises policies as necessary.
 14. The Board is consistently prepared for meetings.
 15. The Board as a whole, and Trustees as individuals, evaluate their performance on an annual basis.
 16. The Board reviews and adopts a reasonable operating budget that is followed and monitored throughout the year.
 17. The Board periodically monitors investment performance and measures it against relevant benchmarks.
 18. The Board periodically monitors service to members.
 19. The Board comprehends and respects the difference between its policy-making role and the Director's management role.
 20. Board goals, expectations, and concerns are promptly, candidly and effectively communicated to the Director.
 21. The Board anticipates issues and does not often find itself reacting to "crisis" situations.
- The Trustees provided positive feedback regarding 2011 Board interactions and governance practices.

The Trustees also discussed critical issues the Board should address in the future. The following items were mentioned: Health Care, Asset Allocation, Governance Reviews, DB vs. DC discussions, Trustee term expirations, and Public Information requests.

Adjournment of the ASRS Board

Mr. Byers adjourned the Board meeting at 10:26 a.m.

ARIZONA STATE RETIREMENT SYSTEM

Gayle Williams, Secretary

Date

Paul Matson, Director

Date